

**CANE RIVER
NATIONAL HERITAGE AREA, INC.**

FINANCIAL REPORT

September 30, 2014

Cane River National Heritage Area, Inc.

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Required Supplementary Information		
Management's Discussion and Analysis	-	1-4
Independent Auditor's Report	-	5-7
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	10
Statement of Activities	B	11
Fund Financial Statements		
Governmental Fund		
Balance Sheet-Governmental Fund	C	13
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	D	14
Statement of Revenues, Expenditures, and Changes in Fund Balance	E	15-16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	17
Notes to Financial Statements	-	19-26
Other Required Supplemental Information		
Budgetary Comparison Schedule-General Fund	G	28-29

(continued on next page)

Cane River National Heritage Area, Inc.

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Other Reports		
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	H	31-32
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	I	33-34
Schedule of Findings and Questioned Costs	J	35
Summary of Prior Year's Findings & Questioned Costs	K	36
Schedule of Expenditures of Federal Awards	L	37
Notes to Schedule of Expenditures of Federal Awards	M	38

CANE RIVER NATIONAL HERITAGE AREA, INC.

452 Jefferson Street
Natchitoches, LA 71457

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Cane River National Heritage Area, Inc.'s annual financial report presents an overview and analysis of the Cane River National Heritage Area, Inc.'s financial activities for the year ended September 30, 2014. The intent of the MD&A is to look at the Cane River National Heritage Area, Inc.'s financial performance as a whole. It should, therefore, be read in conjunction with this report. Certain comparative information is presented to provide an overview of the Cane River National Heritage Area, Inc.'s operations.

Financial Highlights

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Cane River National Heritage Area, Inc. as a whole and presents a longer-term view of the Cane River National Heritage Area, Inc.'s finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

Government-Wide Financial Statements

- The Statement of Net Position presents all of the Cane River National Heritage Area, Inc.'s assets and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in the Cane River National Heritage Area, Inc.'s net position may serve as a useful indicator of whether the financial position of the Cane River National Heritage Area, Inc. is improving or deteriorating.
- The Statement of Activities presents information showing how the Cane River National Heritage Area, Inc.'s net position changed during the current year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Therefore, some revenues and some expenses that are reported in this statement will not result in cash flows until future years.

Fund Financial Statements

The services provided by the Cane River National Heritage Area, Inc. are financed through a governmental fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Cane River National Heritage Area, Inc. uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Cane River National Heritage Area, Inc. conducts its day-to-day operations through a governmental fund, the General Fund. These statements provide a short-term view of the Cane River National Heritage Area, Inc.'s finances and assists in determining whether there will be adequate financial resources available to meet the current needs of the Cane River National Heritage Area, Inc.

A summary of the basic government-wide financial statements is as follows:

Summary of Statement of Net Position

	<u>2014</u>	<u>2013</u>
ASSETS:		
Current Assets-		
Cash and Cash Equivalents	\$ 890,077	\$ 770,855
Revenue Receivable	36,722	0
Capital Assets, Net of Accumulated Depreciation	<u>9,151</u>	<u>8,279</u>
Total Current Assets	\$ 935,950	\$ 779,134
Non-current Assets-		
Long-term Receivable	<u>360,180</u>	<u>309,742</u>
Total Assets	<u>\$1,296,130</u>	<u>\$1,088,876</u>
LIABILITIES:		
Accounts Payable	\$ 29,285	\$ 19,842
Compensated Absences	<u>14,848</u>	<u>4,317</u>
Total Liabilities	<u>\$ 44,133</u>	<u>\$ 24,159</u>
NET POSITION:		
Net Investment in Capital Assets	\$ 9,151	\$ 8,279
Restricted	66,431	55,695
Unrestricted	<u>1,176,415</u>	<u>1,000,743</u>
Total Net Position	<u>\$1,251,997</u>	<u>\$1,064,717</u>

Summary of Statement of Activities

	<u>2014</u>	<u>2013</u>
REVENUES:		
Intergovernmental-		
U.S. Department of Interior, NPS	\$591,000	\$533,000
DOI-CARI Red River Campaign	4,650	0
DOI-Crossroad Region of ELTE NHT	29,400	0
State of Louisiana	0	56,391
Local Grants-		
City of Natchitoches	1,300	2,500
HDDC Grant	28,500	16,000
Tri-Centennial Foundation	48,722	0
Creole Heritage	14,451	11,893
AEP SWEPCO	2,500	0
Weyerhaeuser 300 Educ	9,404	0
Interest & Miscellaneous	<u>15,068</u>	<u>5,666</u>
Total Revenues	<u>\$744,995</u>	<u>\$625,450</u>
EXPENSES:		
Personnel Costs	\$227,060	\$225,838
Office	80,911	78,091
Development & Interpretation	107,285	133,491
Creole Center	9,570	7,791
Marketing & Visitor Services	108,917	54,637
Planning	<u>23,972</u>	<u>30,287</u>
Total Expenses	<u>\$557,715</u>	<u>\$530,135</u>
Change in Net Position	<u>\$187,280</u>	<u>\$ 95,315</u>

- The Cane River National Heritage Area, Inc.'s assets exceeded its liabilities by \$1,251,997 at September 30, 2014 and \$1,064,717 at September 30, 2013.
- Unrestricted net position of \$1,176,415 at September 30, 2014 represents the portion available to maintain the Cane River National Heritage Area, Inc.'s obligation to both citizens and creditors.

General Fund Budgetary Highlights

The Cane River National Heritage Area, Inc. has only one fund, a governmental fund, referred to as the General Fund. All operations of the Cane River National Heritage Area, Inc., including the purchase of capital assets, are processed through this fund.

Economic Factors and Next Year's Budget

The primary revenue source for the Cane River National Heritage Area, Inc. is federal appropriations through the National Parks Service. Any significant increase/decrease in the amount appropriated would be evident in the operations of the Cane River National Heritage Area, Inc.

Contacting the Cane River National Heritage Area, Inc.

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Cane River National Heritage Area, Inc.'s finances and to show the Cane River National Heritage Area, Inc.'s accountability for the money it receives. Any questions about this report or requests for additional information may be directed to the Cane River National Heritage Area, Inc. at 452 Jefferson Street, Natchitoches, LA 71457.

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT

To the CEO and Directors of the
Cane River National Heritage Area, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Cane River National Heritage Area, Inc. as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Cane River National Heritage Area, Inc.'s basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund information of the Cane River National Heritage Area, Inc. as of September 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cane River National Heritage Area, Inc.'s basic financial statements. The budgetary comparison listed as other required supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The budgetary comparison statement and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison statement and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2015, on our consideration of the Cane River National Heritage Area, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cane River National Heritage Area, Inc.'s internal control over financial reporting and compliance.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

January 23, 2015
Natchitoches, LA 71457

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE
FINANCIAL STATEMENTS

Cane River National Heritage Area, Inc.
Statement of Net Position
September 30, 2014

ASSETS:

Current Assets:

Cash & Cash Equivalents	\$ 890,077
Revenue Receivable	36,722
Capital Assets, Net	<u>9,151</u>

Total Current Assets \$ 935,950

Non-current Assets:

Long-term Receivable	<u>360,180</u>
----------------------	----------------

Total Assets \$1,296,130

LIABILITIES:

Accounts Payable	\$ 29,285
Compensated Absences	<u>14,848</u>

Total Liabilities \$ 44,133

NET POSITION:

Net Investment in Capital Assets	\$ 9,151
Restricted	66,431
Unrestricted	<u>1,176,415</u>

Total Net Position \$1,251,997

See notes to financial statements.

Cane River National Heritage Area, Inc.
Statement of Activities
Year Ended September 30, 2014

<u>Activities</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Governmental Activities:				
Personnel Costs	\$227,060	\$0	\$286,172	\$ 59,112
Creole Center	9,570	0	14,451	4,881
Office Expense	80,911	0	101,975	21,064
Marketing & Visitor Services	108,917	0	155,538	46,621
Planning	23,972	0	30,212	6,240
Development & Interpretation	<u>107,285</u>	<u>0</u>	<u>141,579</u>	<u>34,294</u>
Total Governmental Activities	<u>\$557,715</u>	<u>\$0</u>	<u>\$729,927</u>	\$ 172,212
General Revenues:				
Interest & Miscellaneous				<u>15,068</u>
Change in Net Position				\$ 187,280
Net Position September 30, 2013				<u>1,064,717</u>
Net Position September 30, 2014				<u>\$1,251,997</u>

See notes to financial statements.

FUND FINANCIAL STATEMENTS

Cane River National Heritage Area, Inc.
Balance Sheet-Governmental Fund
September 30, 2014

Assets:

Cash & Cash Equivalents	\$ 890,077
Revenue Receivable	<u>396,902</u>
Total Assets	<u>\$1,286,979</u>

Liabilities:

Accounts Payable	\$ <u>29,285</u>
------------------	------------------

Fund Balance:

Restricted	\$ 66,431
Committed	262,830
Assigned	788,273
Unassigned	<u>140,160</u>
Total Fund Balance	<u>\$1,257,694</u>
Total Liabilities and Fund Balance	<u>\$1,286,979</u>

See notes to financial statements.

Cane River National Heritage Area, Inc.
Reconciliation of the Governmental Fund
Balance Sheet to the Statement of Net Position
September 30, 2014

Total Fund Balance for the Governmental Fund at September 30, 2014	\$1,257,694
---	-------------

Total Net Position reported for Governmental Activities
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not
financial resources and, therefore, are not reported
in the fund. Those assets consist of:

Equipment, Furniture and Fixtures	60,325
Less: Accumulated Depreciation	(51,174)

Long-term liabilities are not due and payable in the
current period and, therefore are not reported in the
Governmental Fund Balance Sheet

Accrued Compensated Absences	<u>(14,848)</u>
------------------------------	-----------------

Total Net Position of Governmental Activities at September 30, 2014	<u>\$1,251,997</u>
--	--------------------

See notes to financial statements.

Cane River National Heritage Area, Inc.
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended September 30, 2014

REVENUES:

Intergovernmental-

Department of Interior, National Park Service	\$ 591,000
DOI-CARI Red River Campaign	4,650
DOI-Crossroad Region ELTE NHT	29,400

Local Grants-

City of Natchitoches	1,300
NHDDC Grant	28,500
Tri-Centennial Foundation	48,722
Creole Heritage	14,451
AEP SWEPCO	2,500
Weyerhaeuser 300 Educ	9,404

Interest & Miscellaneous	15,068
Total Revenues	<u>\$ 744,995</u>

EXENDITURES:

Administrative & Operations-

Operating Expenses-

Salary - CEO	\$ 79,162
Salary - Director of Programs	31,346
Salary - Director of Public Outreach	38,684
Contractual - Receptionist	15,234
Communications Director	9,302
Benefits	42,799
Meeting Space	155
Office Space	25,200
Insurance	6,880
Supplies	22
Storage Unit	1,431
Copier	
Credit Card Fees	118
Office Expenses	8,996
Postage	410
Repair & Maintenance	323
Telephone	3,527
Contractual	12,200
Admin Fee - City	15,000
Tri-Centennial Expenses	3,567
Tri-Centennial Manager	21,630
Equipment - Asset	6,250
Equipment - Non-Asset	1,271

(continued next page)

Cane River National Heritage Area, Inc.
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance (continued)
Year Ended September 30, 2014

Marketing & Visitor Services-	
Marketing Materials	40,102
Membership	3,070
Office Assistant	
Heritage Rangers/Office Assistant	5,657
Fort St. Jean Baptiste	6,540
Signage & Branding Implementation	17,275
Travel & Training	11,075
Planning-	
Strategic Planning	23,972
Resource Inventory, Development & Interpretation-	
CRNHA Grants Program	3,000
Bead Town	9,165
CARI-NPS Music Festival	2,500
Exhibit/Public Outreach	14,285
Critical Needs	1,800
CHC Staff	7,256
ELTE NHT	7,650
CARI Heritage Ranger	8,639
Creole Center-Operations, Research	9,570
Weyerhaeuser 300 Educ	1,571
Projects	47,400
Vehicle Lease	<u>4,022</u>
 Total Expenditures	 \$ <u>548,056</u>
 Excess of Revenues over Expenditures	 \$ 196,939
 Fund Balance - Beginning of Year	 <u>1,060,755</u>
 Fund Balance - End of Year	 <u>\$1,257,694</u>

See notes to financial statements.

Cane River National Heritage Area, Inc.
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of the Governmental Fund to the Statement of Activities
For the Year Ended September 30, 2014

Total Net Change in Fund Balance at September 30, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$196,939
The change in Net Position reported for Governmental Activities in the Statement of Activities is different because:	
Governmental Funds report Capital Outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. The cost of Capital Assets recorded in the current period is	6,250
Depreciation expense on Capital Assets is reported in the Government-wide Financial Statements, but does not require the use of current financial resources and is not reported in the Fund Financial Statements. Depreciation expense is	(5,378)
Increases in accrued compensated absences are reflected as an increase in expenses on the Statement of Activities, but are not reported in the Governmental Fund.	<u>(10,531)</u>
Total changes in Net Position at September 30, 2014 per Statement of Activities	<u>\$187,280</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

Introduction:

Cane River National Heritage Area, Inc. is the management entity of the Cane River Heritage Area, a site designated by the Federal Government and intended to encourage historic preservation of the area in appreciation of the history and heritage of the site. The Cane River National Heritage Area encompasses approximately 116,000 acres.

Cane River National Heritage Area, Inc. is a State and Federally recognized 501(c)(3) non-profit corporation. It became the federally-approved management entity of the Cane River National Heritage Area on August 6, 2010. Cane River National Heritage Area, Inc. is governed by a board of directors in accordance with the Bylaws of the corporation; the board is comprised of not less than five (5) nor more than twenty-five (25) directors.

1. Summary of Significant Accounting Policies:

A. Reporting Entity-

The Cane River National Heritage Area, Inc. is a legally separate, non-profit, quasi-public corporation. Based on the criteria set forth in GASB Statement No. 14, the Cane River National Heritage Area, Inc. is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Cane River National Heritage Area, Inc. has presented its financial statements as a primary governing body, is legally separate, and is fiscally independent of other state and local governments. Accordingly, the Cane River National Heritage Area, Inc. is viewed as being fiscally independent for purposes of applying the reporting criteria of GASB No. 14.

B. Basis of Presentation-

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities report information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Cane River National Heritage Area, Inc.'s governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include (a) fees and charges paid by the recipient for goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

C. Fund Accounting-

The accounts of the Cane River National Heritage Area, Inc. are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds maintained is consistent with legal and managerial requirements.

The Cane River National Heritage Area, Inc. maintains only one fund. It is categorized as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity.

The major fund of the Cane River National Heritage Area, Inc. is described below:

Governmental Fund-

General Fund

The General Fund is the general operating fund of the Cane River National Heritage Area, Inc. It is used to account for all financial resources except those required to be accounted for in another fund.

D. Measurement Focus and Basis of Accounting-

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Cane River National Heritage Area, Inc. as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Cane River National Heritage Area, Inc. considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Assets, Liabilities and Equity-

Cash and Interest-Bearing Deposits-

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts and certificates of deposit of the Cane River National Heritage Area, Inc.

Capital Assets-

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Cane River National Heritage Area, Inc. maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of that asset or materially extend the life of that asset are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of useful lives by type of asset is as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

Compensated absences-

Fulltime employees of the Cane River National Heritage Area, Inc. earn vacation hours based on the number of year of continuous service. Sick leave shall be accrued by each full-time employee at a rate of 12 days per year. Vacation and sick leave may be accumulated from year to year. Upon termination/retirement, employees are entitled to be paid a maximum of 480 hours of sick leave, 480 hours vacation, and 240 hours of compensatory time. At September 30, 2014, 2013, and 2012, the recorded amount for compensated absences is \$14,848, \$4,317, and \$4,934 respectfully.

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

Equity Classifications-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provision or enabling legislation.
- c. Unrestricted net position - All other net resources that do not meet the definition of "restricted" or "net investment in capital assets".

When an expense is incurred for the purposes for which both restricted and unrestricted net resources are available, management applies unrestricted net resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expenses.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2013

- e. Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The general fund has an unassigned fund balance of \$140,160 at September 30, 2014. Cane River National Heritage Area, Inc. would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

F. Budget-

Prior to the beginning of each fiscal year, the Cane River National Heritage Area, Inc. adopts a budget for the next fiscal year. The budget is open for public inspection. All budgetary appropriations lapse at the end of the fiscal year. The budget is prepared on the modified accrual basis of accounting.

G. Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

2. Capital Assets:

The following is a summary of changes in capital assets for the Cane River National Heritage Area, Inc. for the year ended September 30, 2014:

	<u>Balance</u> <u>9-30-13</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9-30-14</u>
Capital Assets,				
Depreciated-				
Office Equipment	\$46,618	\$ 0	\$0	\$46,618
Office Furniture	<u>7,457</u>	<u>6,250</u>	<u>0</u>	<u>13,707</u>
Total Capital Assets	\$54,075	\$6,250	\$0	\$60,325
Accumulated Depreciation	<u>45,796</u>	<u>5,378</u>	<u>0</u>	<u>51,174</u>
Net Capital Assets	<u>\$ 8,279</u>	<u>\$ 872</u>	<u>\$0</u>	<u>\$ 9,151</u>

Depreciation expense for the year ended September 30, 2014, was \$5,378.

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2013

3. Fund Balances:

At September 30, 2014, the fund balance reflected "Restricted Fund Balance", "Committed Fund Balance", "Assigned Fund Balance" and "Unassigned Fund Balance". Shown below are the individual items that comprise the Restricted, Committed, and Assigned Fund Balances at September 30, 2014:

Restricted Fund Balance-	
Vascular Plant Survey '09	\$ 1,166
Publications	2,200
Paper & Textile Conservation	7,222
Archaeological Catalog - Magnolia	1,642
Creole Heritage Center - Operating	5,958
Creole Heritage Center - Foundation	26,493
Crossroads Region of ELTE NHT	<u>21,750</u>
 Total Restricted Fund Balance	 <u>\$ 66,431</u>
Committed Fund Balance-	
2011 Archaeological Research	\$ 4,548
2011 Probing Los Adaes	12,768
2011 Texas & Pacific Depot	139,842
G-2011-07 Choctaw Apache Tribe	3,000
2013 Vehicle Lease	5,363
2013 Strategic Planning	5,741
2013 St. Augustine Church Riverbank	948
G-2013 St. Charles Borromeo Chapel	6,183
2014 CRNHA Heritage Rangers	4,343
2014 Development	10,000
2014 Delta Music Initiative	321
2014 NCPTT Arch Web Project	23,104
2014 APHN Timber Framing Workshop	5,500
2014 NCPTT Botanical Intern	7,000
2014 NCPTT Heirloom Sewing Camp	1,000
Tri-Centennial Foundation - Fort St. Jean Baptiste	3,459
Tri-Centennial Foundation - Bead Town Mural	1,877
Weyerhaeuser 300 Educ	7,833
2014 FSJHS-CRNHA Environmental Project	10,000
2014 SEAC-UL Archeology Project	<u>10,000</u>
 Total Committed Fund Balance	 <u>\$262,830</u>

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

Assigned Fund Balance-	
2013 Operations	\$159,864
2014 Operations	106,979
2013 Marketing Materials	5,228
2014 Design & Printing	19,500
2014 Membership Dues	1,930
2014 Office Assistant	5,000
2014 Signage and Branding	50,000
2013 Signage and Branding	139,615
2014 Travel and Training	5,144
2013 Travel and Training	18,542
2013 Critical Needs	9,212
2014 Critical Needs	11,543
2012 Critical Needs	39,475
2014 NHLD Projects	50,000
2014 Isle Brevelle Projects	50,000
2014 Exhibit/Public Outreach	12,000
2013 Exhibit/Public Outreach	18,348
2012 Exhibit/Public Outreach	1,997
HDDC Docent Project	25,000
2014 Grants and Special Awards	35,000
2013 Grants and Special Awards	<u>23,896</u>
Total Committed Fund Balance	<u>\$788,273</u>

4. Cash and Cash Equivalents:

The cash and cash equivalents of the Cane River Children's Services, Inc. are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Agency will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Agency that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Agency's name.

For reporting purposes, cash and cash equivalents include cash, demand deposits, time deposits, and certificates of deposits.

Cane River National Heritage Area, Inc.
Notes to Financial Statements
September 30, 2014

At September 30, 2014, the Cane River National Heritage Area, Inc. had cash and cash equivalents (book balances) totaling \$890,077, including \$200 petty cash. Bank balances at September 30, 2014 totaled \$893,534, including bank accounts of \$634,376 and certificates of deposits of \$259,158. These deposits were secured from risk by \$540,112 of federal deposit insurance and pledged securities held by the custodial bank in the name of the fiscal agent bank with a total market value of \$353,422 (GASB Category 3).

5. Pending Litigation:

There were no civil suits seeking damages against the Cane River National Heritage Area, Inc. outstanding at September 30, 2014.

6. Related Party Transactions:

The Cane River National Heritage Area, Inc. had no identified related party transactions for the year ended September 30, 2014.

7. Compensation Paid to Board Members:

The members of the Board receive no compensation for their service.

8. Operating Lease:

Cane River National Heritage Area, Inc. entered into a three-year operating lease with GMAC on February 5, 2013, for a 2013 GMC Terrain. Monthly payments under this lease are \$335 per month. For the year ended September 30, 2014, the lease payments totaled \$4,022.

9. Income Taxes:

The Cane River National Heritage Area, Inc. is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Cane River National Heritage Area, Inc.'s Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after being filed.

10. Subsequent Events:

Management has evaluated events through January 23, 2015, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

REQUIRED SUPPLEMENTAL INFORMATION

Cane River National Heritage Area, Inc.
General Fund
Budgetary Comparison Schedule
For the Year Ended September 30, 2014

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental-			
Federal Grants-			
U.S. Department of Interior, NPS	\$ 591,000	\$ 591,000	\$ 0
CARI - Red River Campaign	4,650	4,650	0
Crossroad Region ELTE NHT	29,400	29,400	0
Local Grants-			
City of Natchitoches	0	1,300	1,300
NHDDC	25,000	28,500	3,500
Creole Heritage	0	14,451	14,451
Tri-Centennial Foundation	12,000	48,722	36,722
AEP SWEPCO	0	2,500	2,500
Weyerhaeuser 300 Educ	9,404	9,404	0
Interest & Miscellaneous	0	15,068	15,068
Total Revenues	<u>\$ 671,454</u>	<u>\$ 744,995</u>	<u>\$ 73,541</u>
EXPENDITURES:			
Administrative & Operations-			
Operating Expenses-			
Salary - CEO	\$ 80,000	\$ 79,162	\$ 838
Salary - Director of Programs	50,000	31,346	18,654
Salary - Director of Public Outreach	45,000	38,684	6,316
Salary - Director of Interpretation	42,000	0	42,000
Contractual - Receptionist	16,250	15,234	1,016
Communications Director	0	9,302	(9,302)
Benefits	61,107	42,799	18,308
Meeting Space	2,000	155	1,845
Office Space	25,400	25,200	200
Insurance	7,500	6,880	620
Supplies	4,000	22	3,978
Storage Unit	0	1,431	(1,431)
Credit Card Fees	0	118	(118)
Office Expenses	2,500	8,996	(6,496)
Postage	1,000	410	590
Repair & Maintenance	1,000	323	677
Telephone	7,000	3,527	3,473
Contractual	12,700	12,200	500
Admin Fee - City	20,000	15,000	5,000
Tri-Centennial Manager	0	21,630	(21,630)
Tri-Centennial Expenses	0	3,567	(3,567)
Equipment - Asset	0	6,250	(6,250)
Equipment - Non Asset	2,500	1,271	1,229

(continued next page)

Cane River National Heritage Area, Inc.
General Fund
Budgetary Comparison Schedule (continued)
For the Year Ended September 30, 2014

	<u>Budget</u> <u>Original/Final</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Marketing & Visitor Services-			
Marketing Materials	20,000	40,102	(20,102)
Membership	5,000	3,070	1,930
Heritage Rangers/Office Assistant	15,000	5,657	9,343
Fort St. Jean Baptiste	10,000	6,540	3,460
CARI - Red River Campaign	4,650	0	4,650
NHDDC Docent Program	25,000	0	25,000
Signage & Branding	35,000	0	35,000
Signage Maintenance	15,000	17,275	(2,275)
Travel & Training	12,000	11,075	925
Planning-			
Strategic Planning/Development	20,000	23,972	(3,972)
Resource Inventory,			
Development & Interpretation-			
Bead Town	0	9,165	(9,165)
Exhibit/Public Outreach	12,000	14,285	(2,285)
Critical Needs	11,543	1,800	9,743
NCPTT Heirloom Sewing Camp	1,000	0	1,000
TriC Foundation Bead Town Mural	2,000	0	2,000
CHC Staff	0	7,256	(7,256)
Crossroads Region ELTE NHT	29,400	7,650	21,750
Weyerhaeuser 300 Educ	9,404	1,571	7,833
Grants and Sub-Grants			
CRNHA Grants Program	35,000	50,400	(15,400)
CARI-NPS Music Festival	2,500	2,500	0
CARI Heritage Ranger	0	8,639	(8,639)
NCPTT Botanical Intern	7,000	0	7,000
FSJHS-CRNHA Enviro Project	10,000	0	10,000
SEAC-UL Archeology Project	10,000	0	10,000
Creole Center	0	9,570	(9,570)
Vehicle Lease	<u>0</u>	<u>4,022</u>	<u>(4,022)</u>
Total Expenditures	<u>\$ 671,454</u>	<u>\$ 548,056</u>	<u>\$123,398</u>
Excess of Revenues over Expenditures	\$ 0	\$ 196,939	\$196,939
Fund Balance - Beginning of Year	<u>1,060,755</u>	<u>1,060,755</u>	<u>0</u>
Fund Balance - End of Year	<u>\$1,060,755</u>	<u>\$1,257,694</u>	<u>\$196,939</u>

See notes to financial statements.

OTHER REPORTS

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the CEO and Directors of the
Cane River National Heritage Area, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities and the major fund as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Cane River National Heritage Area, Inc.'s basic financial statements and have issued our report thereon dated January 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cane River National Heritage Area, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cane River National Heritage Area, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Cane River National Heritage Area, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cane River National Heritage Area, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

January 23, 2015
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - A Professional Corporation
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the CEO and Directors of the
Cane River National Heritage Area, Inc.

Report on Compliance for Each Major Federal Program

We have audited the Cane River National Heritage Area, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Cane River National Heritage Area, Inc.'s major federal programs for the year ended September 30, 2014. The Cane River National Heritage Area, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Cane River National Heritage Area, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Cane River National Heritage Area, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Cane River National Heritage Area, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, the Cane River National Heritage Area, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of the Cane River National Heritage Area, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cane River National Heritage Area, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cane River National Heritage Area, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Johnson, Thomas & Cunningham, CPA's
Johnson, Thomas & Cunningham, CPA's

January 23, 2015
Natchitoches, Louisiana

Cane River National Heritage Area, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2014

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of Cane River National Heritage Area, Inc. as of and for the year ended September 30, 2014.
2. The audit did not disclose any significant deficiencies in internal control.
3. The audit did not disclose any instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose any significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit did not disclose any findings related to federal awards that are required to be reported under OMB Circular A-133.
7. The following program was major for the year ended September 30, 2014:
 - National Heritage Area Federal Financial Assistance (CFDA 15.939)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Cane River National Heritage Area, Inc. did not qualify as a low-risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

No findings.

III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No instances of noncompliance material to the federal statements were disclosed during the audit.

Cane River National Heritage Area, Inc.
Summary of Prior Year's Findings & Questioned Costs
September 30, 2014

SECTION I: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

Compliance

13-01 Cash Balance Unsecured

Condition - The cash balance in the bank was not fully secured by FDIC or pledged securities.

Status - As of September 30, 2014, this finding has been cleared.

SECTION II: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no findings in the prior year.

SECTION III: MANAGEMENT LETTER

Not applicable.

Cane River National Heritage Area, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2014

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Federal Assistance <u>ID Number</u>	Federal Disbursements/ <u>Expenditures</u>
<u>U. S. Department of Interior, NPS</u>			
National Heritage Area Federal Financial Assistance-			
National Heritage Area Preservation & Conservation Assistance	15.939		\$519,639

Cane River National Heritage Area, Inc.
Notes to the Schedule of Expenditures of Federal Awards
Year Ended September 30, 2014

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Cane River National Heritage Area, Inc. and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.